

Proposed Spousal Coordination of Benefits (SCOB) Policy Changes Effective January 1, 2023

Executive Summary of Proposed Changes for SEBC Vote on December 19, 2022

On July 25, 2022, the SEBC reviewed and voted on changes to the SCOB Policy to be effective January 1, 2023. With the exception of the following modifications, all changes approved on July 25, 2022, will remain in full force and effect on January 1, 2023.

1. Propose **removing** the following language that describes how the policy effects the benefits payment for spouses as the State Group Health Insurance Plan will not offer a Medicare Advantage plan to Medicare pensioners and spouses effective January 1, 2023:

If the Pensioner's spouse is **eligible for and enrolled** in the health care plan offered by the spouse's employer or former employer as a Medicare eligible retiree, or is eligible for a cash benefit in lieu of a health care plan and enrolled in a health plan, the State will terminate coverage under the State's Medicare Advantage Plan. See next section for enrollment requirements.

2. Propose further **clarification** with regards to the 50% contribution requirement when the spouse is receiving cash in lieu of benefits both when the spouse is non-Medicare eligible and when the spouse is Medicare eligible. These clarifications are necessary due to the State Group Health Plan offering a Medicare supplement plan in calendar year 2023. The clarifications are reflected below in red:
 - If the **non-Medicare** spouse is receiving contributions that are equal to 50% or more of the premium of the State of Delaware Group Health Insurance Plan's lowest individual only plan for active and non-Medicare retirees, it is necessary for the spouse to enroll in the spouse's own plan. If the spouse is receiving contributions that are less than 50% of the premium of the State of Delaware Group Health Insurance Plan's lowest individual only plan for active and non-Medicare retirees, it is not necessary for the spouse to enroll in their own employer or former employer plan, or an individual health care plan.
 - If the Medicare eligible spouse is receiving contributions that are equal to 50% or more of the premium of the State of Delaware Group Health Insurance Plan's Medicare supplement plan for Medicare eligible spouses, it is necessary for the spouse to enroll in the spouse's own plan. If the spouse is receiving contributions that are less than 50% of the premium of the premium of the State of Delaware Group Health Insurance Plan's Medicare supplement plan for Medicare eligible spouses, it is not necessary for the spouse to enroll in their own employer or former employer plan, or an individual health care plan.

3. Propose **corrections** to the section of the SCOB Policy which clarifies what happens when the pensioner's spouse's former employer offers only a Medicare Advantage plan for Medicare eligible retirees. These corrections are necessary due to the State Group Health Insurance Plan offering a Medicare supplement plan in calendar year 2023. The changes are reflected below in red:

If the Pensioner's spouse's former employer offers only a Medicare Advantage Plan for its Medicare retirees, the spouse ~~must~~ **may** enroll in either that plan or the **State of Delaware Medicare supplement** ~~State of Delaware Medicare Advantage~~ plan. Medicare Advantage plans do not coordinate with other Medicare supplement plans; therefore, the spouse cannot also be **enrolled in the State's Medicare supplement plan** ~~other Medicare Advantage plans~~. The Centers for Medicare and Medicaid Services (CMS) only allows enrollment in one qualified Medicare Advantage plan. If the former employer's retiree plan should change from a Medicare Advantage plan to a Medicare supplement plan, the Pensioner's spouse must enroll in the supplement coverage with their former employer if the spouse's contribution is 50% or less for the premium for the supplement plan. At that time, the pensioner should contact the Office of Pensions ~~to disenroll the spouse in the State's Medicare Advantage plan~~.